

Transition of TAP Reduced Fare Processing and Call Center From Xerox to Metro In-House

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Executive Management & Audit Committee
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Recommendation

Amend FY14 Budget to add 38 full-time employees (FTEs) and \$1M to transition Reduced Fare Application Processing and the TAP Call Center to in-house at Metro as a result of a binding arbitration decision.



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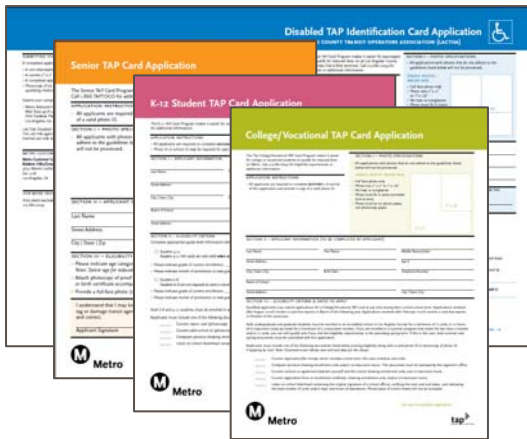
Why transition TAP to Metro?



- In 2007 TAP contracted with Xerox (then ACS) for regional TAP
- TCU filed grievance against Metro
- In binding decision, Metro ordered to transition functions from Xerox to TCU
- Now working with cross-functional team
 - Define business processes
 - Develop transition plan and timeline
 - Analyze remaining Xerox functions for possible additional transition

Areas identified for transition: Reduced Fare and Call Center

38 FTEs needed for transition of the two areas



Reduced Fare Application Processing – 16 FTEs

- LACTOA/Disabled
- Senior
- K-12 Student
- College Student



TAP Call Center – 22 FTEs

Methodology



- Contracted Lumenor Consulting Group, an expert transit systems and transition-consulting firm
- Conducted interviews, reviewed documents
- Staffing assessments involved task analysis, work volume analysis and service level analysis
- Call Center staffing levels were based on industry standard queuing theory calculations
 - 80% of calls answered within 45 Seconds
 - Call wait time not over 5 minutes

FTEs: Call Center & Reduced Fare Staffing Costs

		Number	Avg. Wage	Avg. Wage/Year with Benefits	Total \$/Year
1.	Customer Service Reps and Agents	32	\$22/hour	\$74,048	\$2,369,536
2.	Leads	4	\$22/hour	\$74,048	296,192
3.	Managers	2	\$80,000/year	\$119,680	239,360
4.	Total FTEs	38			\$2,905,088
Estimated Savings on Future Contracted Services					
5.	Xerox Contract Amount				7,984,037
6.	Estimated Future Contracted Services				5,189,624
7.	Estimated Contract Savings				\$2,794,413
Cost to Metro after first year					
8.					\$110,675

**Xerox employees work one shift Mon.-Fri. 8am-5pm.
Lumenor based Metro projections on the same working day.**

One-time costs to transition 38 employees

Hardware, software, office reconfiguration, licenses, technology, furniture, phones, office equipment etc.

Information Technology (IT)	\$666,667
General Services	\$333,333
TOTAL estimated one-time costs, not to exceed	1,000,000

Improved levels of service

Xerox's staffing plan does not currently meet industry standards

- **Xerox average maximum delay for call wait time was 31 minutes in 2012**
- **So far in 2013, nearly 22% of calls were abandoned due to long wait periods**
- **Required to hire temps to handle peaks in Reduced Fare application processing**
- **Staffing levels have been adjusted to meet our customers' needs**
- **Industry standards to be met**



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Expected Process:



- Work with TCU, Xerox and Metro staff on implementation
- Prepare for physical transition
- Recruit and train employees
- Comply with Arbitration ruling and assess remaining contracted services for additional transition
- Report back to board when additional details of transition become available

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